

MEMORANDUM

July 8, 2004

TO: Board of Directors

Eric Kuhn, General Manager

FROM: Dan Birch

RE: SWSI Update

Nothing earth shattering to report on the SWSI front.

We reported previously that CWCB staff reported to their Board that the requirement of delivering a report to the Legislature this November would preclude a meaningful exploration of transmountain alternatives. The suggestion was that the SWSI report would simply "catalog" the various TMD's. Staff also suggested that SWSI could continue – subject to continued funding -- into 2005 and beyond to explore TMD's.

Interestingly, this topic surfaced again at the May Board meeting in the context of reviewing and approving the March Board minutes. The essence of which was that the SWSI report would not merely catalog potential TMD's but would include information about interested parties, issues, analysis of the issues, and recommendations for future approaches or next steps.

In April and May, the third Basin Roundtable meetings were held, the primary purpose of which was to present the gap analysis and alternatives to meet any gaps. Gaps are defined to be those future demands that aren't satisfied by already identified projects with a project proponent. The fourth basin roundtable meetings will be held in July and August. These meetings will focus on further exploring alternatives. Attached is the schedule for the meetings.

While there has been and will continue to be considerable discussion about appropriately identifying and portraying West Slope water needs, TMD issues – the elephant under the carpet – remain under the carpet for the time being. That being the case, SWSI may not have the significance and import to the West Slope that we originally thought.

Attachment